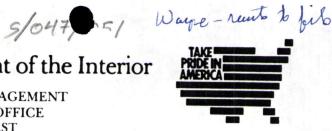


BUREAU OF LAND MANAGEMENT VERNAL DISTRICT OFFICE 170 SOUTH 500 EAST VERNAL, UTAH 84078



IN REPLY REFER TO:

3809 (UT086) UMC-284167

OIL GAS & MINING

DEC 05 1990

December 4, 1990

Mr. Dale Stevens Box 1343 Vernal, UT 84078

Dear Mr. Stevens:

My certified letters of 11/06/90 and 11/13/90 regarding conditions on the Rainbow #1 claim was refused and subsequently returned to me. This letter serves as a third attempt to correspond with you regarding some surface management issues which require your attention.

On our most recent inspection (August 16, 1990) of your mine operation on your Rainbow #1 claim, UMC-2847167, it was apparent that your operation there has remained inactive since at least July 26, 1989. Under the stipulations attached to your Notice of Intent of September 29, 1990, you are required to reclaim your site where "...no evidence of valuable mineralization is revealed by trenching or shafts...". You will also note that, in your addendum to your Notice of Intent, you agreed to take measures to prevent animals and people from falling into your mine shaft during periods of non-operation. As of August 16, 1990, this has not been done.

If you plan to continue operations at this site, you should take immediate measures to fence the shaft there. Fencing should meet the following standards:

- a. 39-inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.

e. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

If you do not plan to conduct any further operations at the site, you should reclaim the site immediately.

Failure to comply with the provisions of a Notice of Intent usually leads the BLM to issue a formal Notice of Noncompliance. Such a notice would require the operator to come into compliance within strict time frames. An operator with an established record of noncompliance would be required to submit Mining Plans of Operation and would also be required to post a bond prior to commencing future operations.

If you have any questions regarding this, please feel free to call me here at (801) 789-1362.

Sincerely,

Ronald S. Trogstad

Yonald to Invested

Area Manager

Diamond Mountain Resource Area

cc: Lowell Braxton

Utah Division of Oil, Gas, & Mining